Supplementary Document

Financial Results for 2Q of FY3/25

Nov. 2024

PENTA-OCEAN CONSTRUCTION

Contents

Financial Results for 2Q of FY3/25

TOPIX

Mr.PENTA

【Disclaimer】
This documents contains forward-looking statements .These statements are not guaranteed of future performance and involve risks and uncertainties and actual results may materially differ from those contains in the forward-looking statements as a result of various factors.

■Orders Received for 2Q of FY3/25 （Non-Consolidated）

PENTA-OCEAN 125 Years & Beyond

- Domestic Civil Engineering : A decrease YoY (due to reactionary drops reflecting large-scale orders received in the previous term in both public and private sectors)
- Domestic Building Construction : An increase YoY (received multiple orders for large-scale projects including a data center, residential buildings and office buildings)
- Overseas : A slight decrease YoY (lack of large-scale orders)

（JPY bn）

		2nd Quarter				Entire term		
		FY3/24 2Q ①	FY3/25 2Q ②	Change fm FY3/24 2Q ②−①	YoY	FY3/24	FY3/25 F （May 2024） ③	Achievement ratio ②/③
Domestic Civil Engineering	Public Sector	85.6	57.0	-28.6	-33.4%	193.4	175.0	32.6%
	Private Sector	41.6	16.0	-25.7	-61.7%	80.2	45.0	35.4%
	Total	127.2	73.0	-54.2	-42.6%	273.6	220.0	33.2%
Domestic Building Construction	Public Sector	63.7	3.5	-60.1	-94.4%	80.0	20.0	17.7%
	Private Sector	67.2	135.4	68.2	101.6%	170.5	230.0	58.9%
	Total	130.8	138.9	8.1	6.2%	250.6	250.0	55.6%
Overseas	Civil Engineering	6.6	15.0	8.4	128.5%	14.4	120.0	12.5%
	Building Construction	11.6	1.7	-9.9	-85.4%	53.6	30.0	5.7%
	Total	18.2	16.7	-1.5	-8.1%	68.0	150.0	11.1%
	Civil Engineering	133.7	88.0	-45.8	-34.2%	288.0	340.0	25.9%
	Building Construction	142.5	140.6	-1.8	-1.3%	304.2	280.0	50.2%
Construction Total		276.2	228.6	-47.6	-17.2%	592.2	620.0	36.9%
Others		0.2	0.2	0.0	-2.5%	0.5	0.5	30.1%
Total		276.3	228.8	-47.6	-17.2%	592.7	620.5	36.9%

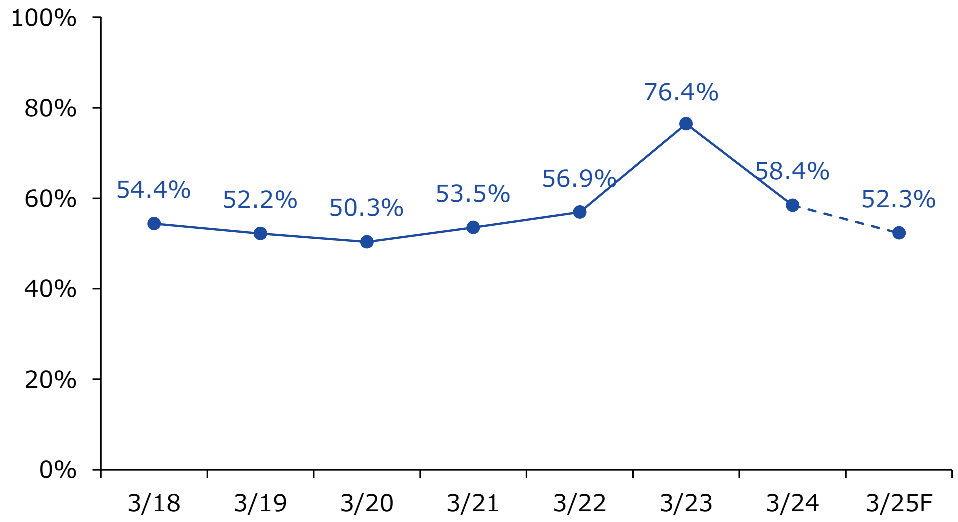
■ Proportion of Orders Received Results (Non-Consolidated)

● Domestic Civil Engineering

(JPY bn)

		FY3/22	FY3/23	FY3/24	FY3/25		
		Result	Result	Result	FY3/25 F (May 2024)	FY3/25 2Q	Achievement ratio
Proportion of Public & Private	Public Sector	104.9	219.8	193.4	175.0	57.0	32.6%
	Private Sector	60.6	90.8	80.2	45.0	16.0	35.4%
	Total	165.5	310.6	273.6	220.0	73.0	33.2%
	Proportion of Private Sector	36.6%	29.2%	29.3%	20.5%	21.9%	–
Proportion of Marine & Land	Marine Civil Engineering	94.2	237.4	159.9	115.0	48.8	42.4%
	Land Civil Engineering	71.3	73.2	113.7	105.0	24.2	23.0%
	Total	165.5	310.6	273.6	220.0	73.0	33.2%
	Proportion of Marine Civil	56.9%	76.4%	58.4%	52.3%	66.8%	–

Marine Civil Portion

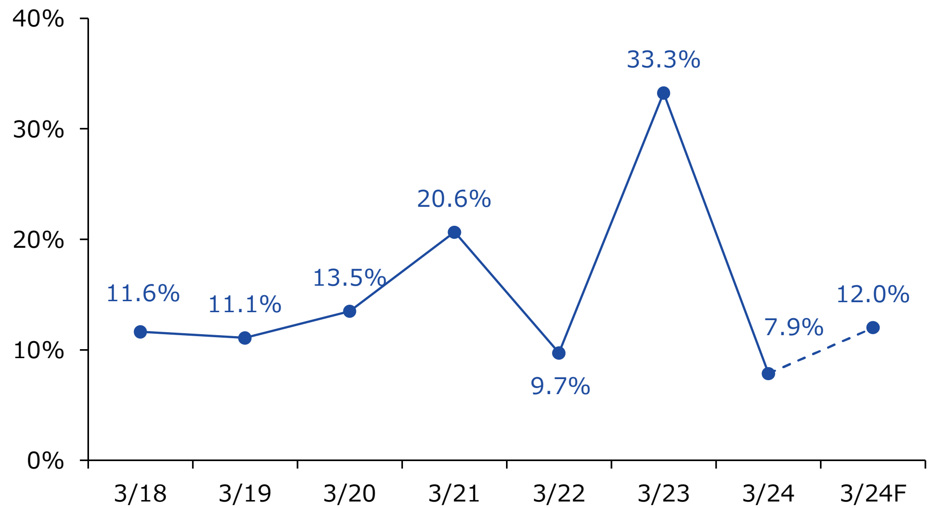


● Domestic Building Construction

(JPY bn)

		FY3/22	FY3/23	FY3/24	FY3/25		
		Result	Result	Result	FY3/25 F (May 2024)	FY3/25 2Q	Achievement ratio
Proportion of Public & Private	Public Sector	12.1	55.9	80.0	20.0	3.5	17.7%
	Private Sector	147.9	165.8	170.5	230.0	135.4	58.9%
	Total	160.1	221.7	250.6	250.0	138.9	55.6%
	Proportion of Private Sector	92.4%	74.8%	68.1%	92.0%	97.4%	–
Proportion of Residential & Non–Residential	Residential	15.6	73.7	19.7	30.0	37.5	124.9%
	Non-Residential	144.5	148.0	230.9	220.0	101.5	46.1%
	Total	160.1	221.7	250.6	250.0	138.9	55.6%
	Proportion of Residential	9.7%	33.3%	7.9%	12.0%	27.0%	–

Residential Portion



■Business Results for 2Q of FY3/25

125 Years & Beyond PENTA-OCEAN

Increase in sales and profits
－Significant increase in sales for the second consecutive term and increase in profits in domestic building construction

■Non-consolidated

- ●Sales: JPY 302.1 bn (Up JPY 48.9 bn, or up 19.3% YoY)
  - ➢ Domestic Civil Engineering: Significant increase thanks to steady progress of projects including Offshore Wind Farm projects (increase in construction revenue owes mainly to the progress of offshore wind farm projects)
  - ➢ Domestic Building Construction: increase thanks to steady progress of projects at hand
  - ➢ Overseas: Increase thanks to progress of projects at hand
- ●Total Gross Profit: JPY 24.7bn (Up JPY 1.9bn, or up 8.5% YoY)
  - ➢ Domestic Civil Engineering: Slight decrease (increase on a consolidated basis) (the profit margins for projects other than offshore wind farm projects remained unchanged YoY at approx.16%)
  - ➢ Domestic Building Construction: Increased significantly thanks to the sizable growth in construction revenue and improvement in profit margins
  - ➢ Overseas: Slightly decreased due to lower operating rate of owned vessels
- ●SG&A Expenses: JPY 11.7 bn (Up JPY 1.0 bn, or up 9.4% YoY)
- ●Operating Profit: JPY 13.0 bn (Up JPY 0.9 bn, or up 7.7% YoY)
- ●Ordinary Income: JPY 11.5 bn(Down JPY 0.8bn,or down 6.5% YoY)
  ※ Foreign exchange loss: JPY 0.9 bn (FX gain of JPY 0.7 bn for the same period last year)
- ●Net Income: JPY 8.9 bn(Up JPY 0.5 bn, or up 6.3% YoY)

■Consolidated

- ●Net Sales: JPY 328.0 bn (Up JPY 49.5 bn, or up 17.8% YoY)
- ●Total Gross Profit: JPY 27.9 bn (Up JPY 2.8 bn, or up 10.9% YoY)
- ●Operating Profit: JPY 15.1bn (Up JPY 1.8 bn, or up 13.2% YoY)
- ●Ordinary Income: JPY 13.3 bn (Up JPY 0.3 bn, or up 2.5% YoY)
- ●Net Income: JPY 9.9 bn (Up JPY 1.1 bn, or up 12.3% YoY)

(JPY bn)

	Non-Consolidated						Consolidated					
	2nd Quarter						2nd Quarter					
	FY3/24 2Q		FY3/25 2Q		Change from FY3/24 2Q		FY3/24 2Q		FY3/25 2Q		Change from FY3/24 2Q	
Domestic Civil	117.0		133.0		16.0		126.0		142.3		16.3	
Domestic Building	81.2		101.6		20.4		82.7		103.3		20.6	
Overseas	54.8		67.3		12.5		62.3		75.6		13.4	
Others	0.2		0.2		-0.0		7.5		6.7		-0.8	
Net Sales	253.2		302.1		48.9		278.6		328.0		49.5	
Domestic Civil	19.2	16.4%	18.5	13.9%	-0.7	-2.5p	20.1	15.9%	20.7	14.6%	0.7	-1.4p
Domestic Building	4.8	5.9%	7.6	7.4%	2.7	1.5p	5.0	6.1%	7.8	7.5%	2.7	1.4p
Overseas	-1.3	-2.4%	-1.4	-2.1%	-0.1	0.3p	-0.7	-1.1%	-0.9	-1.1%	-0.2	-0.1p
Others	0.1	44.6%	0.1	50.9%	0.0	6.4p	0.7	9.4%	0.3	3.8%	-0.5	-5.6p
Total Gross Profit	22.8	9.0%	24.7	8.2%	1.9	-0.8p	25.2	9.0%	27.9	8.5%	2.8	-0.5p
SG & A	10.7	4.2%	11.7	3.9%	1.0	-0.3p	11.8	4.2%	12.8	3.9%	1.0	-0.3p
Domestic Civil	13.3	11.4%	11.8	8.9%	-1.5	-2.5p	13.9	11.1%	13.7	9.6%	-0.2	-1.4p
Domestic Building	0.9	1.2%	3.6	3.6%	2.7	2.4p	1.0	1.2%	3.7	3.6%	2.7	2.4p
Overseas	-2.2	-4.1%	-2.5	-3.7%	-0.3	0.4p	-2.0	-3.2%	-2.3	-3.0%	-0.3	0.2p
Others	0.1	37.2%	0.1	43.8%	0.0	6.5p	0.4	4.9%	-0.1	-1.4%	-0.5	-6.3p
Operating Profit	12.1	4.8%	13.0	4.3%	0.9	-0.5p	13.3	4.8%	15.1	4.6%	1.8	-0.2p
Non-Operating Income or Expenses	0.2		-1.5		-1.7		-0.4		-1.8		-1.4	
Ordinary Income	12.3	4.9%	11.5	3.8%	-0.8	-1.1p	13.0	4.7%	13.3	4.1%	0.3	-0.6p
Extraordinary Income or Expenses	-0.0		1.2		1.2		-0.0		1.2		1.2	
Income before Taxes	12.3	4.9%	12.8	4.2%	0.4	-0.6p	12.9	4.6%	14.5	4.4%	1.6	-0.2p
Net Income	8.4	3.3%	8.9	3.0%	0.5	-0.4p	8.8	3.2%	9.9	3.0%	1.1	-0.1p

	FY3/24		FY3/25 2Q		Change from FY3/24		FY3/24		FY3/25 2Q		Change from FY3/24	
Total Assets	527.8		574.0		46.2		566.0		614.4		48.4	
Net Assets	146.4	27.7%	145.1	25.3%	-1.2	-2.4p	173.1	30.6%	173.3	28.2%	0.2	-2.4p
Interest-bearing Debt	99.2	18.8%	158.5	27.6%	59.2	8.8p	110.3	19.5%	170.1	27.7%	59.8	8.2p
Cash and Deposits	54.7		43.9		-10.8		60.1		54.2		-6.0	
Net Debt	44.6	8.4%	114.6	20.0%	70.0	11.5p	50.2	8.9%	116.0	18.9%	65.8	10.0p

■ Business Forecasts for FY3/25

(JPY bn)

Non-Consolidated

	2nd Quarter						Entire term			
	FY3/24 2Q		FY3/25 2Q		Change from FY3/24 2Q		FY3/24		FY3/25 Forecast (May 2024)	
Domestic Civil	117.0		133.0		16.0		244.0		250.0	
Domestic Building	81.2		101.6		20.4		186.1		220.0	
Overseas	54.8		67.3		12.5		135.3		140.0	
Others	0.2		0.2		-0.0		0.5		0.5	
Net Sales	253.2		302.1		48.9		565.9		610.5	
Domestic Civil	19.2	16.4%	18.5	13.9%	-0.7	-2.5p	36.8	15.1%	36.0	14.4%
Domestic Building	4.8	5.9%	7.6	7.4%	2.7	1.5p	12.3	6.6%	15.0	6.8%
Overseas	-1.3	-2.4%	-1.4	-2.1%	-0.1	0.3p	-1.1	-0.8%	1.0	0.7%
Others	0.1	44.6%	0.1	50.9%	0.0	6.4p	0.2	45.9%	0.0	0.0%
Total Gross Profit	22.8	9.0%	24.7	8.2%	1.9	-0.8p	48.2	8.5%	52.0	8.5%
SG & A	10.7	4.2%	11.7	3.9%	1.0	-0.3p	21.8	3.9%	23.0	3.8%
Domestic Civil	13.3	11.4%	11.8	8.9%	-1.5	-2.5p	24.6	10.1%	23.0	9.2%
Domestic Building	0.9	1.2%	3.6	3.6%	2.7	2.4p	4.6	2.5%	7.0	3.2%
Overseas	-2.2	-4.1%	-2.5	-3.7%	-0.3	0.4p	-3.1	-2.3%	-1.0	-0.7%
Others	0.1	37.2%	0.1	43.8%	0.0	6.5p	0.2	41.3%	0.0	0.0%
Operating Profit	12.1	4.8%	13.0	4.3%	0.9	-0.5p	26.3	4.7%	29.0	4.8%
Non-Operating Income or Expenses	0.2		-1.5		-1.7		1.6		-2.5	
Ordinary Income	12.3	4.9%	11.5	3.8%	-0.8	-1.1p	27.9	4.9%	26.5	4.3%
Extraordinary Income or Expenses	-0.0		1.2		1.2		-2.9		-0.5	
Income before Taxes	12.3	4.9%	12.8	4.2%	0.4	-0.6p	25.0	4.4%	26.0	4.3%
Net Income	8.4	3.3%	8.9	3.0%	0.5	-0.4p	16.8	3.0%	18.0	2.9%

Consolidated

	2nd Quarter						Entire term			
	FY3/24 2Q		FY3/25 2Q		Change from FY3/24 2Q		FY3/24		FY3/25 Forecast (May 2024)	
Domestic Civil	126.0		142.3		16.3		266.4		265.0	
Domestic Building	82.7		103.3		20.6		189.3		225.0	
Overseas	62.3		75.6		13.4		150.6		155.0	
Others	7.5		6.7		-0.8		11.4		10.0	
Net Sales	278.6		328.0		49.5		617.7		655.0	
Domestic Civil	20.1	15.9%	20.7	14.6%	0.7	-1.4p	40.6	15.2%	38.0	14.3%
Domestic Building	5.0	6.1%	7.8	7.5%	2.7	1.4p	12.8	6.7%	15.5	6.9%
Overseas	-0.7	-1.1%	-0.9	-1.1%	-0.2	-0.1p	-1.3	-0.9%	2.6	1.7%
Others	0.7	9.4%	0.3	3.8%	-0.5	-5.6p	1.3	11.4%	1.5	15.0%
Total Gross Profit	25.2	9.0%	27.9	8.5%	2.8	-0.5p	53.3	8.6%	57.6	8.8%
SG & A	11.8	4.2%	12.8	3.9%	1.0	-0.3p	24.2	3.9%	25.1	3.8%
Domestic Civil	13.9	11.1%	13.7	9.6%	-0.2	-1.4p	27.8	10.4%	24.4	9.2%
Domestic Building	1.0	1.2%	3.7	3.6%	2.7	2.4p	4.9	2.6%	7.3	3.2%
Overseas	-2.0	-3.2%	-2.3	-3.0%	-0.3	0.2p	-4.2	-2.8%	0.0	0.0%
Others	0.4	4.9%	-0.1	-1.4%	-0.5	-6.3p	0.6	5.6%	0.8	8.0%
Operating Profit	13.3	4.8%	15.1	4.6%	1.8	-0.2p	29.2	4.7%	32.5	5.0%
Non-Operating Income or Expenses	-0.4		-1.8		-1.4		-1.9		-2.5	
Ordinary Income	13.0	4.7%	13.3	4.1%	0.3	-0.6p	27.2	4.4%	30.0	4.6%
Extraordinary Income or Expenses	-0.0		1.2		1.2		0.2		-1.0	
Income before Taxes	12.9	4.6%	14.5	4.4%	1.6	-0.2p	27.4	4.4%	29.0	4.4%
Net Income	8.8	3.2%	9.9	3.0%	1.1	-0.1p	17.9	2.9%	20.0	3.1%

Non-Consolidated

	FY3/24		FY3/25 2Q		Change from FY3/24		FY3/24		FY3/25 Forecast (May 2024)	
Total Assets	527.8		574.0		46.2		527.8		580.0	
Net Assets	146.4	27.7%	145.1	25.3%	-1.2	-2.4p	146.4	27.7%	155.5	26.8%
Interest-bearing Debt	99.2	18.8%	158.5	27.6%	59.2	8.8p	99.2	18.8%	109.5	18.9%
Cash and Deposits	54.7		43.9		-10.8		54.7		51.0	
Net Debt	44.6	8.4%	114.6	20.0%	70.0	11.5p	44.6	8.4%	58.5	10.1%

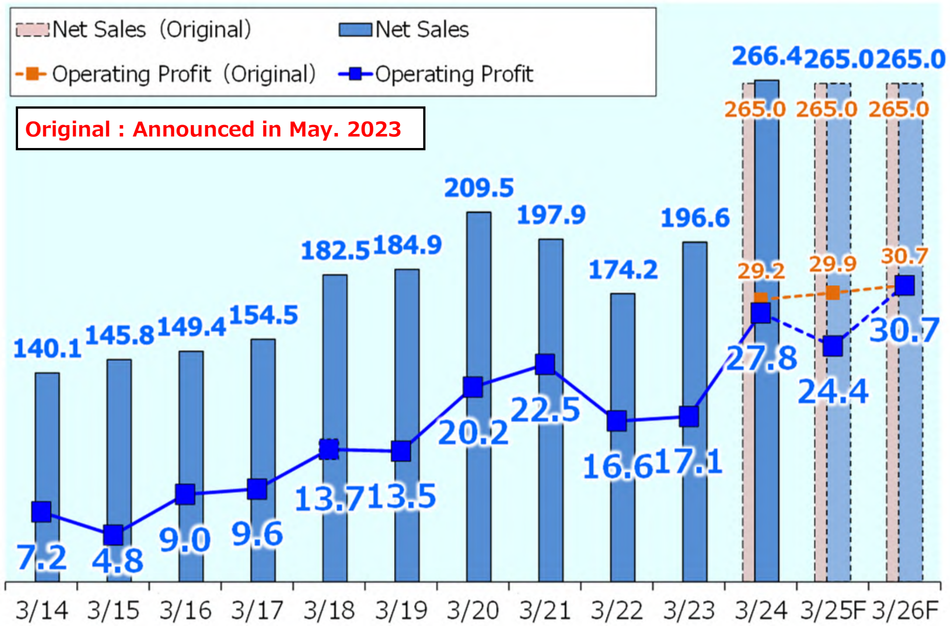
Consolidated

	FY3/24		FY3/25 2Q		Change from FY3/24		FY3/24		FY3/25 Forecast (May 2024)	
Total Assets	566.0		614.4		48.4		566.0		620.0	
Net Assets	173.1	30.6%	173.3	28.2%	0.2	-2.4p	173.1	30.6%	184.2	29.7%
Interest-bearing Debt	110.3	19.5%	170.1	27.7%	59.8	8.2p	110.3	19.5%	127.0	20.5%
Cash and Deposits	60.1		54.2		-6.0		60.1		53.0	
Net Debt	50.2	8.9%	116.0	18.9%	65.8	10.0p	50.2	8.9%	74.0	11.9%

■ Trends of Sales & Operating Profit by Business Unit (consolidated)

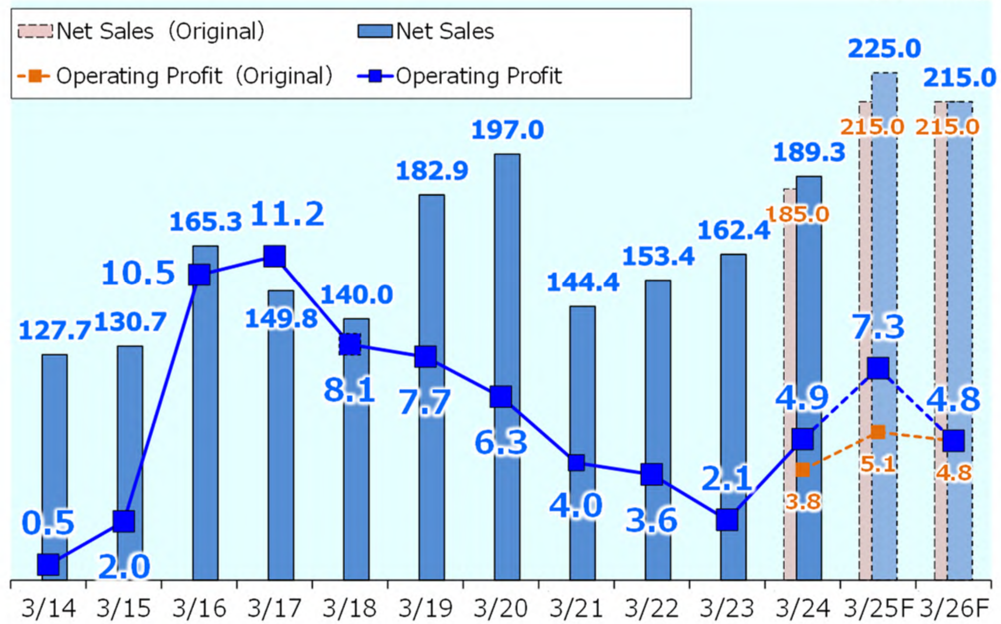
● Domestic Civil Engineering

(JPY bn)



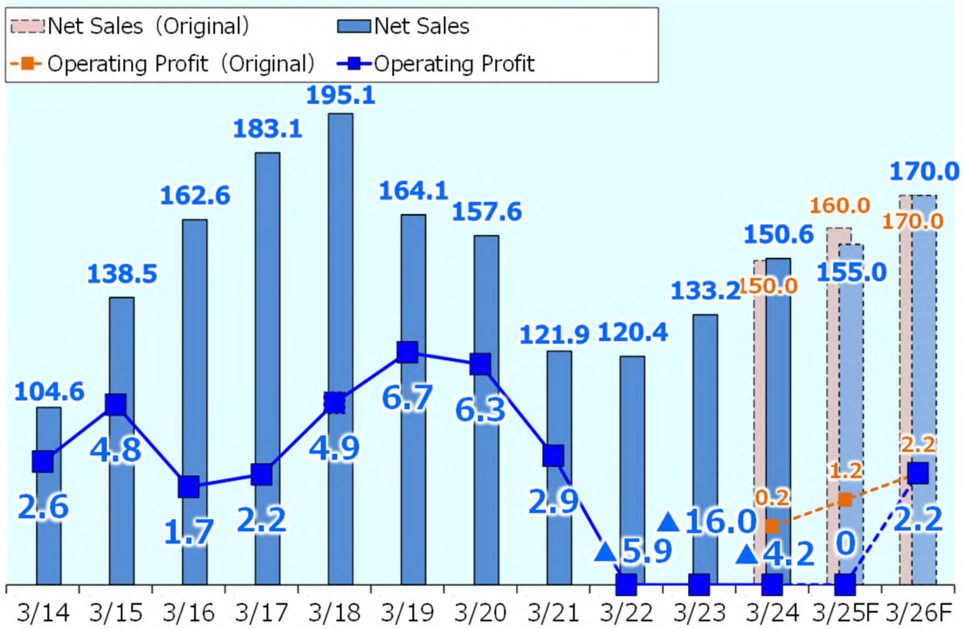
● Domestic Building Construction

(JPY bn)



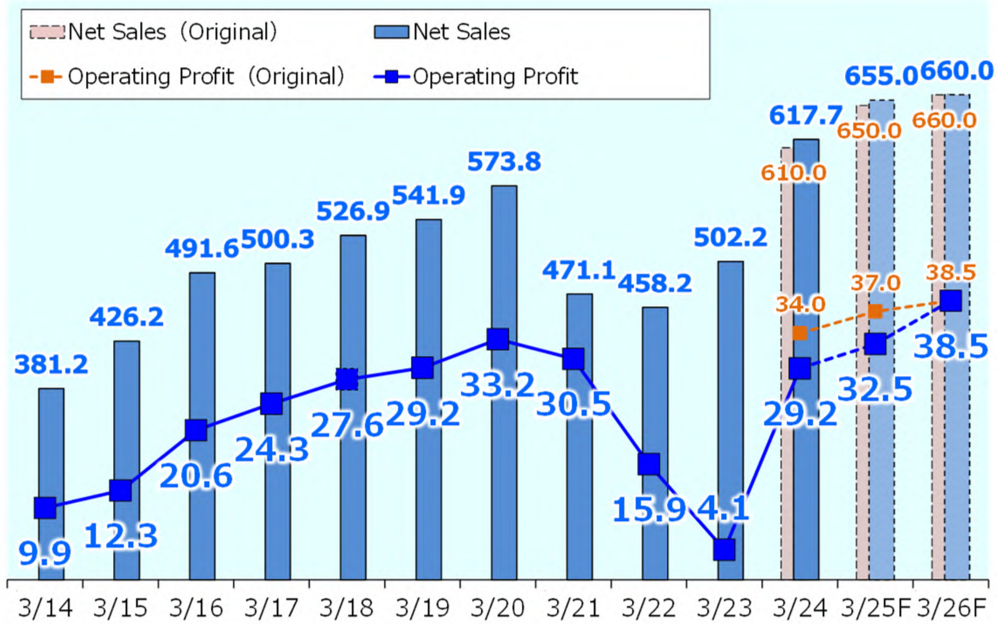
● Overseas

(JPY bn)



● Total

(JPY bn)



■ Financial Planning and Capital Policies

■Financial planning - securing operating cash flow and response to strategic investments

➢**Enhancing financing options to cover increased business volume**

・Ensuring payment collection of construction revenues and securing flexible financing

➢**Dealing with strategic investments: to JPY 30.0bn /year level investment**

Capital expenditure for offshore-wind related work vessels will be in full swing

FY 3/25: Upgrading of the third offshore installation vessel "Sea Challenger"*1 (operation start scheduled for FY3/27)

New construction of a heavy lift vessel (HLV) and a cable laying vessel (CLV) (operation start scheduled FY3/29)

FY 3/26: New construction of a feeder vessel to carry components, and a service operation vessel (SOV), etc.

*1:To be owned by Japan Offshore Marine (JOM), a JV with DEME Offshore (Belgium)

➢**Financing – increase in interest-bearing debt due to capital expenditures**

Construction capital: flexible financing by bank borrowings, issuance of CP etc.

Capital expenditures: scheduled to be financed by operating cash flow and bank borrowings, large-scale vessels will be jointly owned with strategic partners

〇Reduction of strategically held shares

– aiming at gradual reduction to less than 10% of net assets

・Selling of six stocks scheduled in FY 3/25 (partially sold in the first half)

■Shareholder returns

➢**Basic profit distribution policy**

Making strategic investments for future growth including capital enhancement and capital expenditures while providing steady and continuous dividends to shareholders, and improving shareholder returns and capital efficiency by carrying out share buybacks

➢**Share buybacks**

No. of shares repurchased: 3,065,800

(worth JPY 2 bn. 1.1% of total number of issued shares)

Purchase period: From May 13, to July 1, 2024

➢**Shareholder returns total payout ratio (consolidated): 40% or higher**

(dividend payout ratio: 30% or higher)

FY 3/25

Ordinary dividend **JPY 24** (dividend payout ratio 34.3%)
Interim dividend JPY 12 (from FY 3/25 onwards)
Share buyback **payout ratio 10% or higher**
(Total payout ratio 40% or higher)

FY 3/24

Ordinary dividend **JPY 24** (dividend payout ratio 38.4%)
Share buyback **JPY 2.0 bn** (payout ratio 11.2%)
(Total payout ratio49.6%)

Balance of interest-bearing debt

(JPY bn)

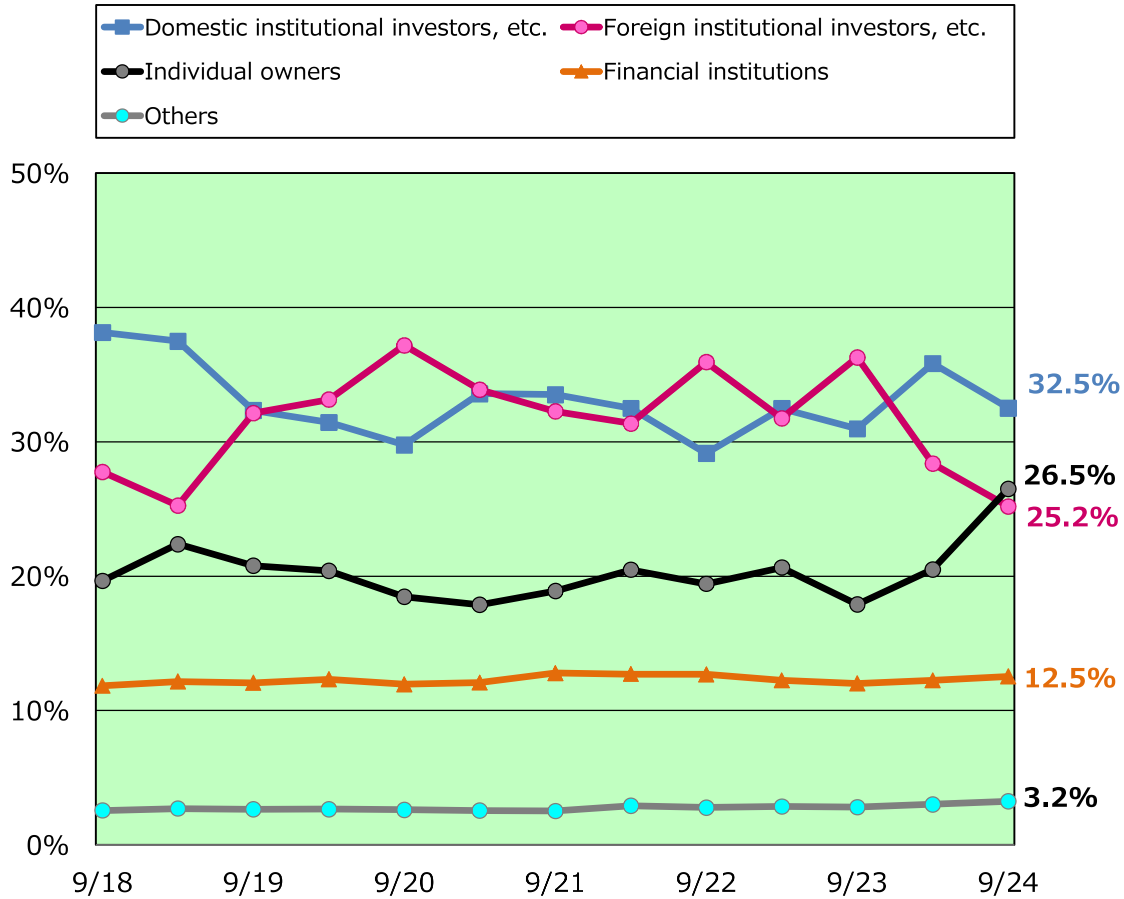
	Entire Term			2Q	
	3/23	3/24	3/25F	3/24 2Q	3/25 2Q
Consolidated					
Cash flow from operations	19.7	9.1	23.0	-44.7	-52.6
Cash flow from investment	-11.7	-6.4	-37.5	-4.0	-4.1
Cash flow from financing	-7.0	6.7	7.5	44.3	51.3
Balance of cash and deposit	50.5	60.1	53.0	47.2	54.2
Balance of debt with interest	93.7	110.3	127.0	147.2	170.1
(Change from the previous year)	1.1	16.6	16.7	53.5	22.9
Interest-bearing Debt	43.2	50.2	74.0	100.0	116.0
Non-Consolidated					
Balance of cash and deposit	46.5	54.7	51.0	40.0	43.9
Balance of debt with interest	86.3	99.2	109.5	137.9	158.5
(Change from the previous year)	0.5	12.9	10.3	51.6	20.6

Dividend per share, Dividends payout ratio, Equity ratio on a consolidated basis

	3/22 Result	3/23 Result	3/24 Result	3/25F 2Q Result	3/25F 4Q Forecast	3/25F total
Dividend per share (Yen)	23	24	24	12	12	24
Dividend payout ratio (%)	61.1	1002	38.4	34.3		
Share buyback (Billion Yen)	—	—	20	about 10		
Payout ratio (%)	—	—	11.2			
Total payout ratio (%)		1002	49.6	Over 40		

Shareholder Composition

- Issued common stock: 286,013,910, including 3,277,712 of the treasury stocks
- Number of shareholders: 59,312 (up 11,753 over the previous term)
- Shareholder composition: Domestic institutional investors, etc. 32.5% (down 3.3p), Foreign institutional investors, etc. 25.2% (down 3.2p), Individual owners 26.5% (up 6.0p), Financial institutions 12.5% (up 0.3p), Other domestic corporations 3.2% (up 0.2p) → Institutional investors in and out of Japan 57.7% (down 6.5p)



Top 10 shareholders

Name of shareholders	Shares held (in thousands)	Voting right ratio(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	46,069	16.3
Custody Bank of Japan, Ltd. (Trust account)	24,770	8.8
STATE STREET BANK AND TRUST COMPANY 505001	8,085	2.9
Mizuho Bank, Ltd.	7,059	2.5
Meiji Yasuda Life Insurance Company	5,990	2.1
JUNIPER	4,905	1.7
Tokio Marine & Nichido Fire Insurance Co., Ltd.	4,763	1.7
STATE STREET BANK AND TRUST COMPANY 505301	4,710	1.7
STATE STREET BANK AND TRUST COMPANY 505223	4,474	1.6
Sompo Japan Insurance Inc.	4,280	1.5
Total held by top 10 shareholders	115,110	40.7

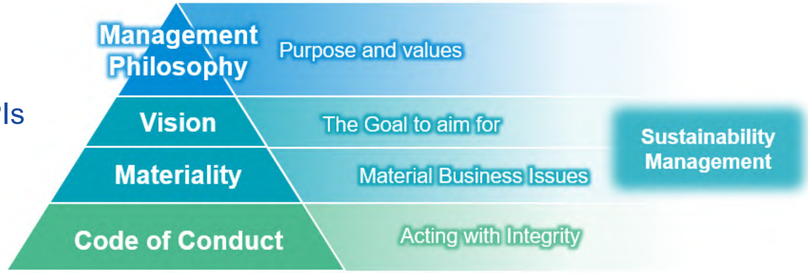
TOPIX

Practicing Sustainability Management

125 Years & Beyond
PENTA-OCEAN

Creating a framework to deepen sustainability management

- Signing the United Nations Global Compact (Dec. 2022)
- Identifying Vision and Materiality in sustainability management and disclosure of KPIs (May 2023)
- Establishment and disclosure of POC Code of Conduct (behavior guidelines for POC officers and employees) (May 2023)
- Establishment and disclosure of the Corporate Philosophy Structure (Oct. 2023)
- Providing sustainability training across the entire company (from Oct. 2023)



POC Group Corporate Philosophy Structure (revised in Oct. 2023)

Initiatives to tackle material issues

Instilling the concept of sustainability management

- Promoting recognition of the concept among all POC officers and employees, providing training and education thereof: Sustainability training (from Oct 2023)
- Instilling the concept in construction sites (including subcontractors) : "Sustainability" morning meetings (from Sep. 2024)

Respect for humanity

- Establishment of the Human Rights Committee (May 2023), disclosure of the Human Rights Policy (Jun. 2023)
- Implementation of Human Rights DD (FY 3/24: within POC Group, FY 3/25 onwards: expansion of the application to business partners etc.)

Sustainable Supply Chain

- Declaration of Partnership Building(November 2020, revised in May 2024) Ensuring proper price negotiation with business partners and subcontractors to achieve fair profit sharing
- Disclosure of Multi-stakeholder Policy (May 2023)
- Establishment and disclosure of POC Group Sustainable Supply Chain Policy and Guidelines (Nov. 2023)
- Notification to SSC Policy and Guidelines to business partners through briefing sessions, followed by monitoring of their initiatives (from Jan. 2024)

Promotion of Diversity and Inclusion (D&I)

- Received the "level 2 Eruboshi" certification as an excellent company for promoting women's empowerment (Jul. 2023)
- Advancement of Work Style Reform: strict compliance to regulations on maximum overtime work limits (from Apr. 2024)
- Certified as an outstanding "Health and Productivity Management" organization under the "large enterprise" category (certified for the fifth consecutive year since 2020)

Initiatives to tackle climate change issues

- Proactive information disclosure based on the TCFD framework (from May 2022)
- Received certification from Science Based Targets (SBT) as in line with a 1.5℃ trajectory (Scope1,2,3) (Dec. 2022)

Rolling out POC sustainability initiatives to business partners

- **Briefing sessions on Sustainable Supply Chain (SSC)**
  Held briefing sessions on POC Group SSC Policy and Guidelines for POC Group companies and major business partners in both domestic and overseas POC offices (a Total of 38 sessions were held from December 2023 through September 2024)
- **Monitoring of the guideline adherence of major business partners**
  Requesting to domestic/overseas major business partners to answer self assessment questionnaires (SAQ) based on POC Group SSC Guidelines (from July 2024)

Briefing at the Safety Promotion Contest (Japan)

Briefing session in Singapore

女性が活躍しています!

2024 健康経営優良法人 Health and productivity

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Further Promotion of Work Style Reform and D&I

Promoting productivity improvement backed by technologies, providing comfortable workplace environment and securing future employees

○ Details of initiatives

1．Ensuring 8 site closures per 4 weeks, strict adherence to compulsory cap on overtime hours

- Initiatives to achieve 8 closures per 4 weeks and closures on weekends
  Creating and managing construction schedules which incorporate site closures on weekends
- Initiatives to achieve acquisition target of 8 days off per 4 weeks
  Encouraging holiday schedule planning for the next three months, introduction of a "buddy unit" system, and ensuring the acquisition of make-up holidays if scheduled holidays are missed
- Initiatives for reducing overtime hours and ensuring strict adherence to compulsory cap on overtime hours
  Keeping overtime work **within 45 hours per month bimonthly**(for other months, within 60 hours per month)

2．Promotion of labor-saving and productivity-improvement initiatives - Full-scale roll-out of i-Construction

- Enhancement and sophistication of construction management through digitalization
  Use of construction apps, fixed onsite cameras, and Robotic Process Automation (RPA) technologies
- Productivity improvement by utilizing BIM/CIM, ICT and AI-powered technologies
  Utilization of digital twin technologies, automatic and autonomous operation of construction machinery
- Productivity improvement by manpower- and labor-saving technologies
  Promotion of productivity improvement by concrete pre-casting
- Providing more comprehensive remote-support for onsite works

3．Promotion of flexible work style

- Introduction of rotational flex-time system
- Promotion of half-day and by-the-hour leaves (flexible work hours)
- Continuous implementation of working from home
- Promotion of female empowerment（25% or higher hiring ratio of female career-track employees, 15% or higher female employees in management positions）
- **Promoting use of a support system for self professional development**
- Entrenching the Global HR systems

4．Keeping the turnover ratio of young employees within three years from joining the company at 5% or lower

- Enhancement of training programs tailored for young employees
- Providing communication training to their superiors

5．For skilled workers: Work Style Reform and improving working conditions

- Accumulating their records of previous works in the CCUS platform, providing incentives for achieving 2 days off week acquisition target, etc.
- Ensuring proper shifting of costs and appropriate contract pricing when dealing with subcontracting companies

○Adherence to the compulsory cap on overtime hours :

100% in the first half

○Progress status of 8 site closures per 4 weeks & 8 days off per 4 weeks

		FY2022	FY2023	FY2024 (Apr. to Sep.)
Sites with 8 closures per 4 weeks or more	Sites	56.0%	57.0%	66.5%
Individuals taking 8 days off per 4 weeks or more	Employees on outdoor duties	92.1%	92.6%	96.0%

○Site management by an all-female engineer team

In the construction of the B1 section (a group home for the disabled) of the Tsukishima 3 cho-me North Area Type 1 Urban Redevelopment Project, **a team made of six female engineers** is responsible for project management. The team was featured in a news program on the Tokyo Metropolitan Television Broadcasting Corporation.

Scan the QR code to watch the news program (3 min.)

○Promoting Utilization of the Support Grant System for Self- Development*1(from FY 3/24)

*1：A system to provide grants up to JPY 20,000 per month, JPY 240,000 per year to encourage employees to obtain official certifications

➢ **Number of system users** 421 employees (534 cases)

➢ **Target certifications**

• Professional Engineer • Registered Architect (1st class) •Construction Management Engineer (1st class) (civil engineering, building construction, electric works) • Construction Industry Accountant • Urban Renewal Planner • Japan Business Law Examination • Small Boat Pilot License (2nd class) • Certified Public Tax Accountant • Certified Public Accountant • TOEIC • Certified Social Insurance Labor Consultant• Small and Medium Sized Enterprise Consultant • Real Estate Notary • Qualified Building Cost Engineer • Intellectual Property Management Skills Test • Foreign languages proficiency tests other than English • IT Passport • Affiliated Financial Planner • USCPA • Health Supervisor etc.

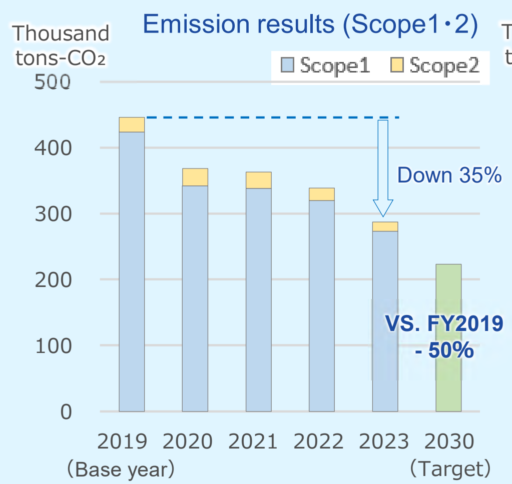
■ Promotion of GX – Towards achievement of Carbon Neutrality

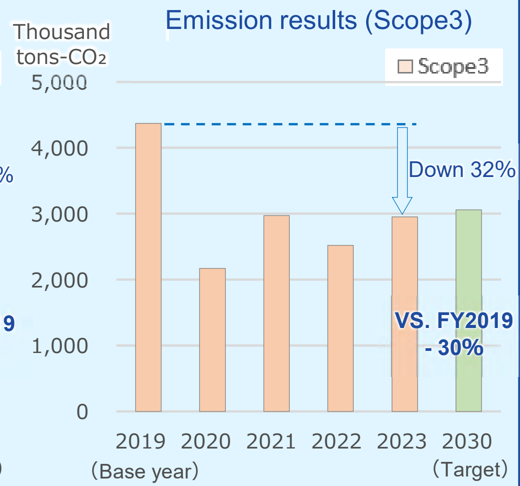
125 Years & Beyond PENTA-OCEAN

◯Organizational rollout of initiatives to tackle climate change issues – contribution to achievement of carbon neutrality

▽In addition to progressive disclosure of related information following the expression of support for the TCFD Final Recommendations, we will strive to promote CO_2 reduction initiatives towards achievement of the SBT-certified emission reduction targets

□CO_2 emission reduction targets





*After FY 3/23, we obtained limited third-party assurance for Scope 1, 2 and 3 emission results

□Initiatives toward carbon neutrality of construction business activities (Scope1･2)

(Short-term) Productivity improvement by ICT etc. (DX promotion)
ZEB conversion of site offices
Further introduction of fuel economy enhancers: for construction machinery and work vessels

(Mid-term) Further introduction of alternative fuels (bio diesel fuels, GTL, etc.)
Active use of renewable energy (including land-based electricity supply and rechargeable batteries)
Exploring automated and autonomous operation of work vessels by their electrification

(Long-term) Introduction and wide use of next-gen energy sources such as hydrogen and ammonia

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

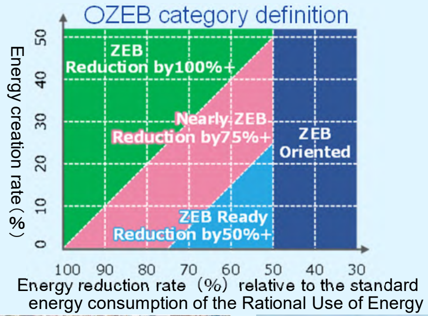
□Zero Energy Building (ZEB) conversion (Scope3)

- Continuing energy-saving technology development for ZEB conversion
- Utilizing and demonstrating hydrogen energy in POC's Muroran factory
- Proposing clients the construction of ZEB in newly awarded projects

◯POC's ZEB construction record

ZEB Rank	Project Name	Energy saving rate	Energy creation rate	Energy reduction rate
ZEB	Hisamitsu Pharmaceutical Museum (2019)	65%	38%	103%
Nearly ZEB	Exceo Group Inc. South Kanto Branch (2021)	50%	25%	75%
ZEB	POC Muroran Factory (2022)	65%	360%	425%
ZEB	Hulic Logistics Kashiwa (2023)	64%	105%	169%
ZEB	Kitakyushu Hibikinada Offshore Wind Farm Project Site Office(2022)	56%	45%	101%
ZEB	Tsukishima 3 cho-me North Area Urban Redevelopment Project Site Office (2023)	64%	43%	107%

◯ZEB category definition



◯Number of projects obtained certifications (of which, site offices)

･『ZEB』	:	10 (4)
･Neary ZEB	:	2 (1)
･ZEB Ready	:	10
･ZEB Oriented	:	1
･ZEH-M Oriented	:	2
Total	:	25 (5)


Hisamitsu Pharmaceutical Museum


POC Muroran Factory


Kitakyushu Hibikinada Offshore Wind Farm Project Site Office

■ Promotion of GX – Tackling Offshore Wind Farm Construction Projects

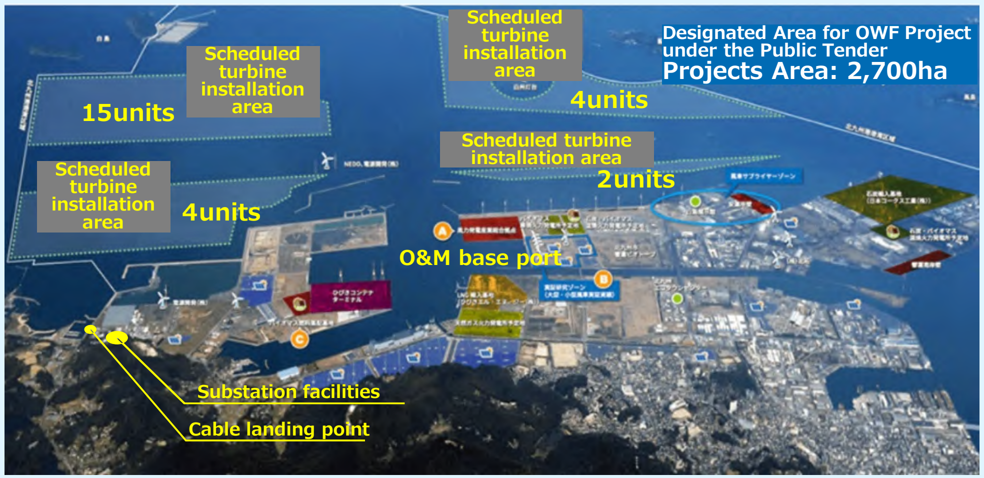
○ Start of full swing construction of Kitakyushu Hibikinada Offshore Wind Farm
○ Acceleration of capital expenditures in the offshore wind field (including new construction of offshore wind-related work vessels) as a front runner in offshore wind construction

● Construction of Kitakyushu Hibikinada Offshore Wind Farm

A large-scale OWF project involving the installation of 25 wind turbines(9.6 MW class) to generate approximately 220 MW of electricity on approximately 2,700 ha within the port area of Hibikinada district of Kitakyushu Port

Wind turbine foundation and marine works

・In charge of marine civil works, including installation of jacket-type foundations and turbines for 25 bottom-fixed-type OWF units
・Foundation work: completion scheduled for FY3/24-FY3/25
・Turbine installation work: scheduled for FY3/26
・Cable laying work: scheduled for FY3/25-FY3/26



● Construction of offshore-wind related work vessels, etc.

▹Wind turbine installation vessels (for bottom-fixed type turbines) POC owns three offshore installation vessels

・**CP-8001（800t lifting capacity）owned by POC**
*Started operation in March 2019
・**CP-16001（1,600t lifting capacity）owned by PKY Marine**
*Started operation in November 2023
PKY Marine（Joint venture of POC, Kajima Corporation and Yorigami Maritime Construction: POC holds 65% ownership）
・**Sea Challenger（1,600t lifting capacity）owned by JOM**
*Operation start scheduled for 2026
Japan Offshore Marine(JOM)（joint venture between POC and DEME Offshore: POC holds 51% ownership）, in charge of upgrading overall features and crane capacity of Sea Challenger, held previously by DEME Offshore

▹Other offshore-wind related work vessels

・Heavy Lift Vessel (HLV) (self-propelling, 5,000t lifting capacity)
※operation start scheduled for FY3/29
・Cable Laying Vessel (CLV)(self-propelling, 9,000t cable capacity)
※operation start scheduled for FY3/29
・Wind turbine material carrier, Service Operation Vessel（under consideration）

▹Building collaboration structure with KWS[*1] for operation management of self-propelling vessels and crewing

・Reflagging Sea Challenge to Japanese register and subsequent management of vessel operation, maintenance works, and crewing
・Operation management of offshore support vessel “Kaiko”, aiming for its more flexible use
・Construction and operation management of Service Operation Vessel (SOV)(under consideration)

*1：A joint venture between Kawasaki Kisen Kaisha, Ltd. and Kawasaki Kinkai Kisen Kaisha, Ltd.

▹Efforts to tackle construction of floating-type OWF

・New establishment of the Floating Project Division(April 2023) for contemplating rational and effective construction methods
・Proposal of an offshore platform(an offshore wind turbine assembly terminal)（Japan Dredging and Reclamation Engineering Association)

● Future projects

▹ The 2nd Round in the general sea areas (plan)

・Oga Katagami OWF, Akita Pref.：base port development, wind turbine installation（construction scheduled for FY 3/28)
・Saikai OWF：foundation and wind turbine installation（construction scheduled for FY 3/29 – FY 3/30)

▹ The 3rd Round in the general sea areas and beyond

・Eyeing the operation start of new vessels (HLV, CLV etc.) in FY 3/29, we will explore sales promotion strategies by leveraging our versatile fleet (including offshore installation vessels) and comprehensive engineering capabilities

■ Domestic Civil Engineering
– Labor saving in marine construction using drones and DX

〇A ship soil inspection system and drones equipped with 3D-LiDAR*1 significantly saves labor required for soil inspection
〇Labor saving and DX promotion of marine construction using a flying drone mounted with a GNSS*2 and a depth-sounding sonar capable of taking off, landing on water, and navigating

*1:Apparatus that uses laser pulse reflection for capturing the surrounding imagery *2:Satellite positioning system. Equipped with high-performance models for wave observation
*3:Apparatus for measuring the depth of the seafloor by sound wave reflection

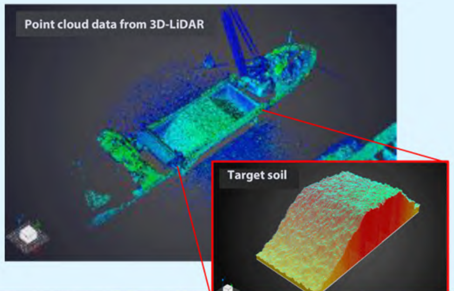
● A real time ship soil volume inspection system

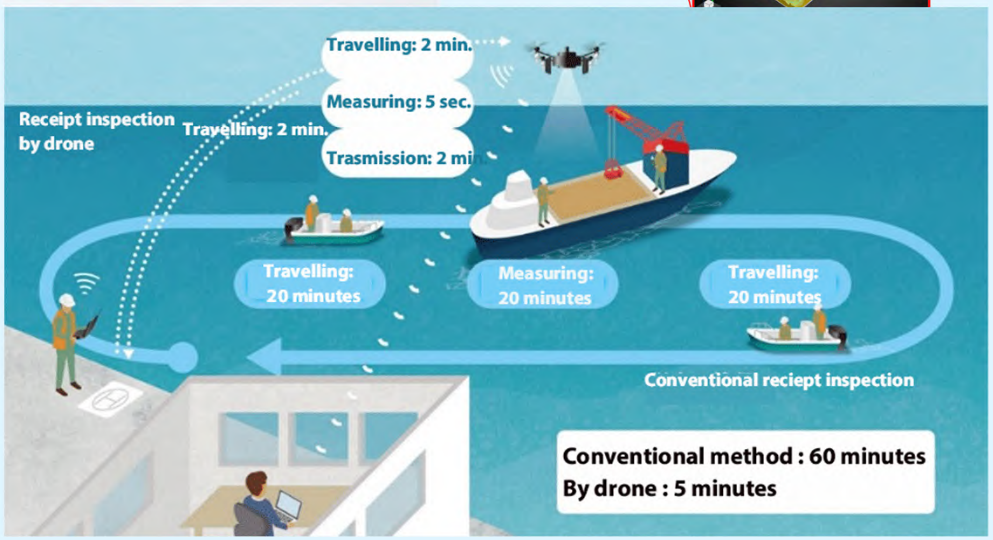
〇**Development of POV-DL** (Penta-Ocean Vanguard-DroneLiDAR)

・3D-LiDAR collects point cloud data of soil on barge
+ LTE communication transfers data to the cloud server during drone's flight

〇**Automated soil receipt inspection using the ship soil inspection system**

・Automated measurement of ship soil volume and automatic generation of reports using point cloud data





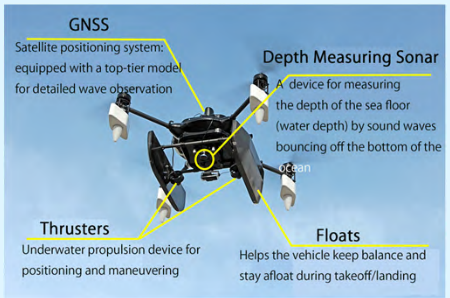
●Labor-saving in marine construction (wave observation and bathymetric survey)

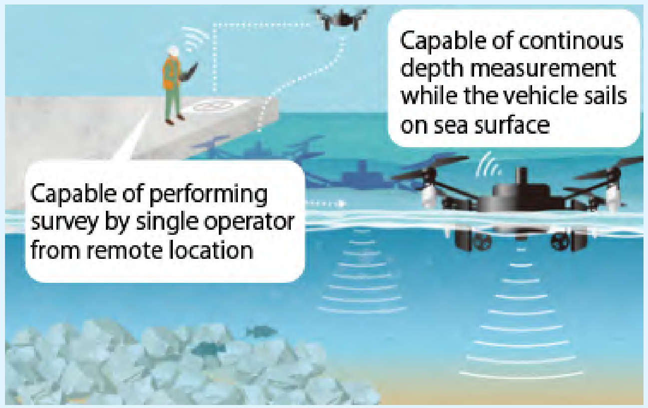
〇**Development of POV-DA** (Penta-Ocean Vanguard-DroneAqua)

・Drone equipped with a high-precision GNSS and a depth-sounding sonar that can take off and land on water and navigate

〇Bathymetric survey: continuously performs a bathymetric survey using a depth-souding sonar
⇒enables real-time monitoring of underwater work

〇Wave observation: calculates wave height and wave period using its GNSS-derived data
⇒ expedites feasible studies of marine works





■ Domestic Civil Engineering - Digital Twin Initiatives

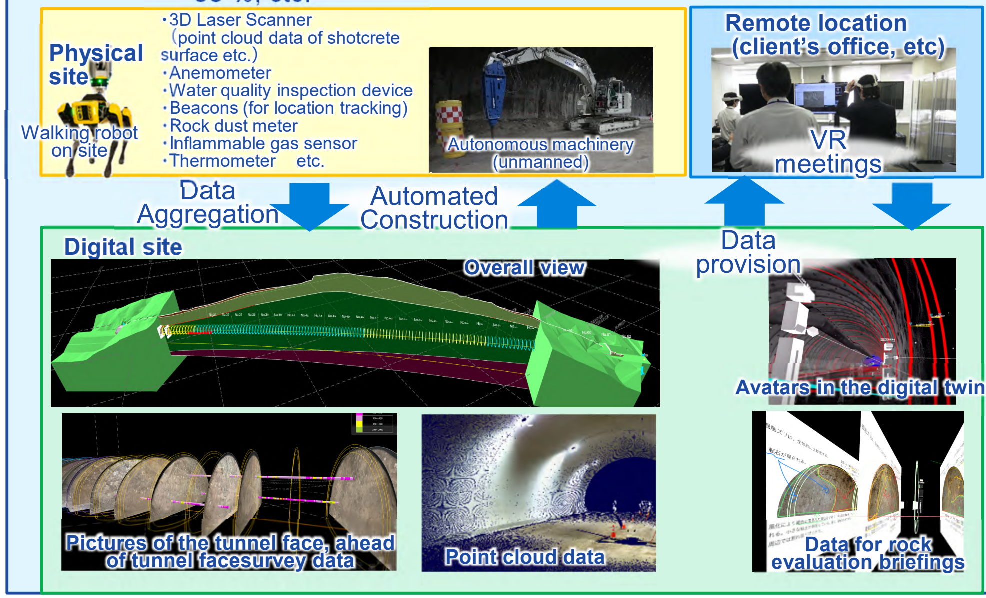
○Created a digital twin of a tunnel – towards achievement of visualization of measured data, automated survey and automated construction
○Application of digital twin technologies to port projects – aiming at advancement of "visualization" technologies of construction progress

●Digital twin initiatives in a tunnel construction work (Sasawara Tunnel)

○Demonstration of advantages of DX as the "Project on Introduction and Utilization of Innovative Technologies for Drastic Improvement of Productivity at Construction Sites" (PRISM) by MLIT

Initiatives：
- ・Automatic aggregation of measurement results and construction management data on a digital twin platform (duplicated construction site in a digital space)
- ・Automated excavation of the tunnel invert (breaking work) by an autonomous backhoe
- ・Evaluation of finished product by a walking robot equipped with a 3D laser scanner

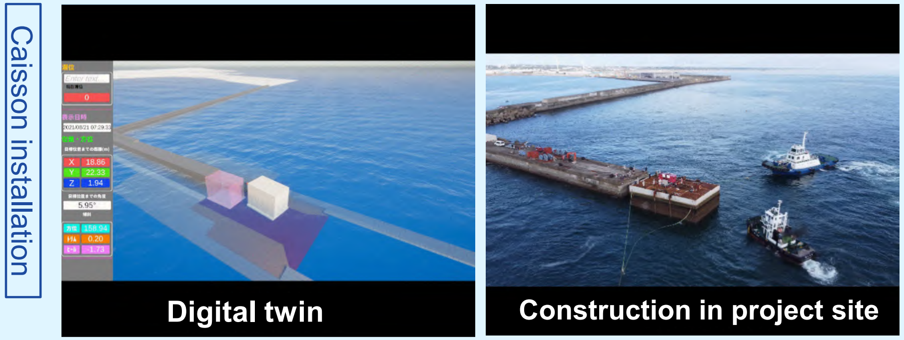
Results：
①The digital site data was used for information sharing and replacement of paper documents
→Approx. 90% reduction of paper materials required for rock evaluation briefings (approx. 400 pages)
②Automatic creation of construction machine control models from accumulated data enabled unmanned operation of construction machinery and helped achieve automatic construction
→A 75 % reduction in number of personnel required for construction and supervision (from four to one)
③Immersion in digital sites with VR headsets enabled remote site visits and progress checks
→Reduced the progress management and tunnel face observation by 50 %, etc.



●Digital twin initiatives in a port project

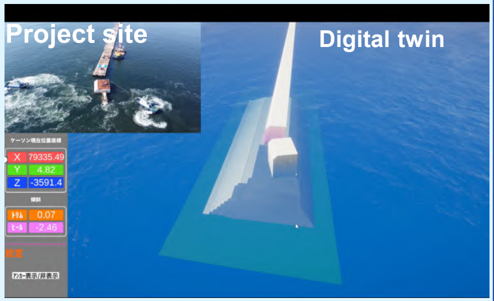
○Pre-project simulation of construction

・Preventing rework on site and improving onsite safety



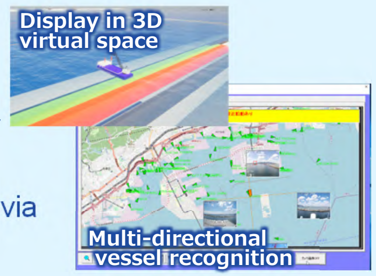
○Real time monitoring of construction progress

(Ex.) By attaching GNSS devices to caissons prior to installation, the onsite construction progress can be monitored in real time from a remote location



○Navigation safety monitoring system

・Cloud based cameras and AI powered recognition technologies achieve automatic identification of passing vessels, followed by prompt data display in a digital twin and provision of alerts to construction personnel via internet



Domestic Civil Engineering – Major Completions in the first half of FY 3/25

Construction of the Onahama Road, Yamada
（Fukushima Pref. completed in Sep. 2024）

Metropolitan Inter-City Expressway, Shin Tonegawa Bridge
(substructure) East Section（Ibaraki Pref. completed in May 2024）

Construction of Cargo Handling Area (C-12) in Hokko
Minami Area of Osaka Port（Osaka Pref. completed in April 2024）

Construction of New Jetty for Onoken Shizuoka Center
（Shizuoka Pref. completed in May 2024）

Wakayama Shimotsu Port Coast (Kainan area) Utsumi Sluice Gate
and Seawall Construction (Wakayama Pref. completed in September 2024)

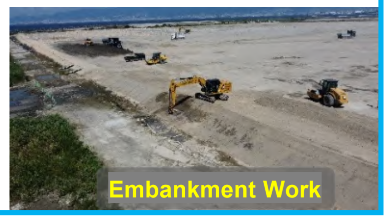
Construction Progress in Yumeshima (land development for World Expo venue)

①Yumeshima Second Phase Area Land Development Work (1st section) Completed in March 2022
②Yumeshima Second Phase Area Land Development Work (2nd section) Completed in March 2022
③Yumeshima Second Phase Area Land Development Work (3rd section) Completed in March 2022
④Yumeshima Second Phase Area (South-east section) Land Development Work Completed in February 2023
⑤Yumeshima Second Phase Area (South-west section) Land Development Work Completed in May 2024

Bird's-eye View of the Site

Plastic Board Drain Work

Deep Mixing Work



Embankment Work

■ Domestic Building Construction
– Large-scale logistics facility, labor-saving and Digital Transformation (DX) initiatives

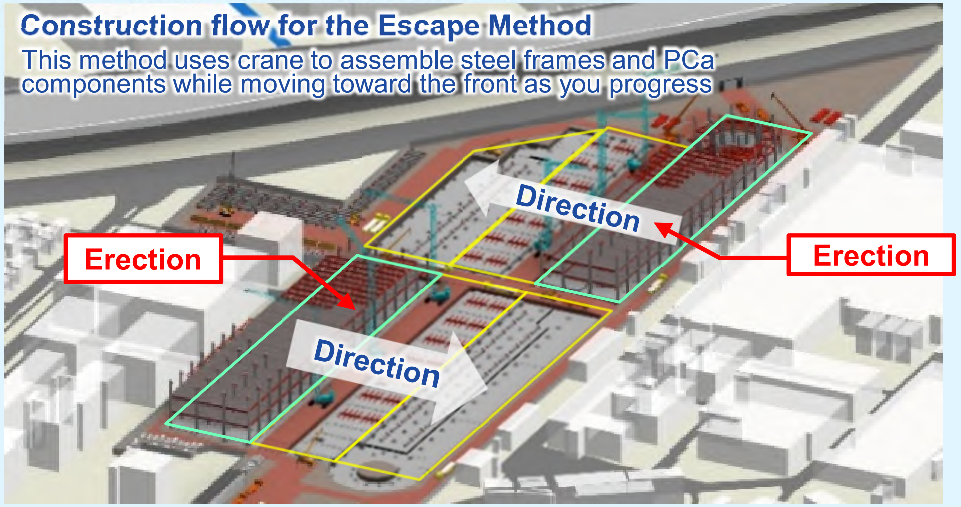
○ Achieving shorter construction period, improved quality and labor saving by converting columns to on-site precast concrete (PCa) and optimizing erection methods at a large logistics facility construction site
○ Labor savings through active utilization of BIM data (e.g., PCa component location management system using PiCOMS*1 etc.)

● Integrating columns and joints (PCa) to optimize structural frameworks

○ **Adopted the "Escape Method" in RCS structures**

- Divided the site for a large-scale logistics facility (LP Shin Sugita) into six sections and carried out framework erection **for each section**
- After **constructing the roof and exterior walls sequentially, floor slab casting followed**

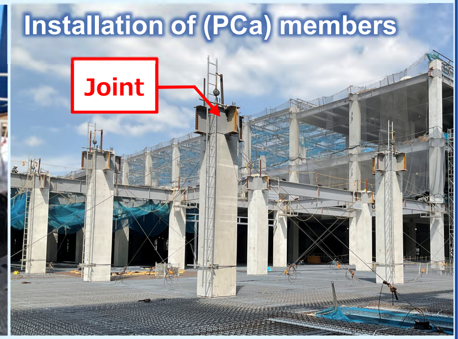
→ **Weather does not affect** floor slabs concrete pouring
→ **Enhanced productivity and safety in an indoor environment** protected from rain, wind and intensive sunlight
→ By dividing work areas, parallel work **of multiple work types can be realized,** enabling the leveling of skilled workers
(avoiding the risk of construction delays due to manpower shortages)



○ **Integrated columns and joints using on-site PCa**

- reduced construction processes by using on-site PCa

→ **Achieved construction speed similar to steel frame construction, improved quality and reduced labor required for structural erection**



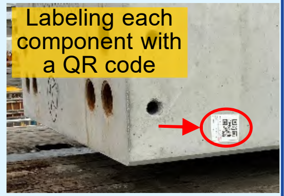
*1: **P**enta-Ocean **I**ntegrated **Con**struction **M**anagement **S**ystem

● DX initiatives

○ **PCa component location management system using PiCOMS*1**

- Location management of 1,500+ PCa columns, which are moved around the site during construction, using QR codes and a high-accuracy positioning system "RTK-GNSS"

⇒ **Saved time and effort in checking storage location**



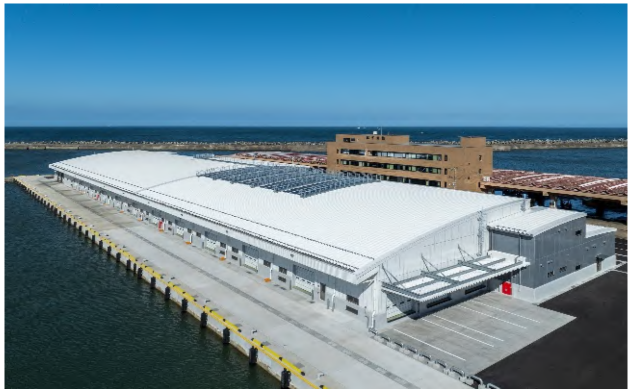
Domestic Building Construction – Major Completions in the first half of FY 3/25

Chugoku Lumber Co., Ltd.
Noshiro Factory, Construction of Fuel Storage etc.
(Akita Pref. completed in July 2024)

Maruwayushi Co., Ltd. Hanyu Factory
（Saitama Pref. completed in April 2024））

Tempozan Ferry Terminal
（Osaka Pref. completed in April 2024）

City Terrace Fuchu
（Tokyo, completed in July 2024）



Chosi Fisheries Cooperative Association, the 3rd Cargo Handling Area No.1
（Chiba Pref. completed in September 2024）

Kojinkai Medical Corporation, Takiyama Hospital
（Tokyo, completed in June 2024）

Hirakawacho LA BEFANA
（Tokyo, completed in May 2024）

●Indonesia: Patimban Port Development Project Package 6

- ○ Land development on soft seabed requires high-quality and rapid construction
- ○ Adoption of Japanese technologies with superior quality and shortened construction period

- ○ Client : Government of Republic of Indonesia
- ○ Contract amount : Approx. 48.4 billion yen（JV total）※POC portion:50%
- ○ Construction period : January 2023 – November 2025 (34 months)
- ○ Project site : Patimban, Subang, West Java
- ○ Scope of Work:

Construction of container terminal

･Dredging work	9,880,000 m3
･Ground improvement	882,000 m3
･Reclamation work	1,970,000 m3
･Steel pipe piles	6,410 t
･Steel pipe sheet piles	4,030 t
･Pavement work	27 ha
･M&E work	

●Adopted Japanese technologies ※ POC Japan offices collaborated in the planning

○ Cement Deep Mixing Method（CDM)

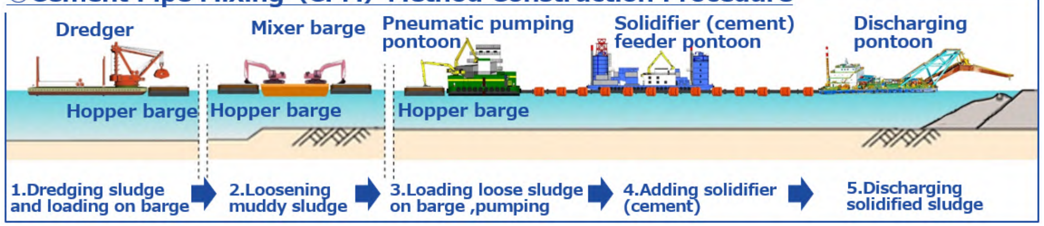
･A method of mixing and blending soft soil in the original ground with cementitious solidifiers to improve the ground to a specified strength

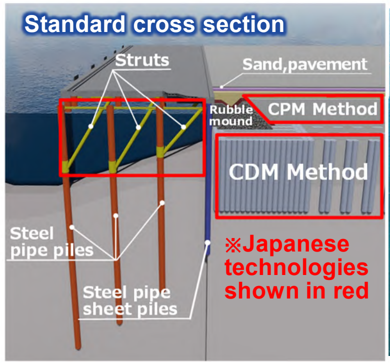
○ Cement Pipe Mixing Method（CPM)

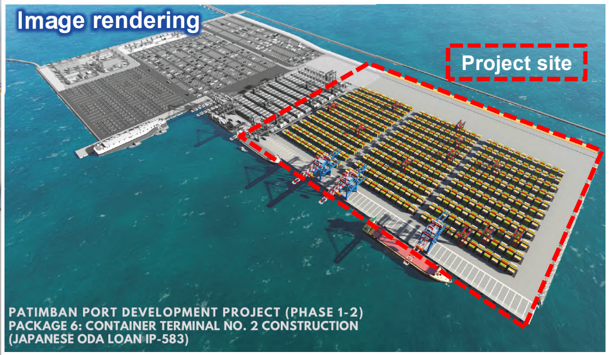
･A method of solidifying dredged sludge by mixing solidifier slurry in a pressure feeding pipe aiming at early use of the site

○ Strut Method (reinforcing material for steel pile piers)

○Cement Pipe Mixing（CPM）Method Construction Procedure



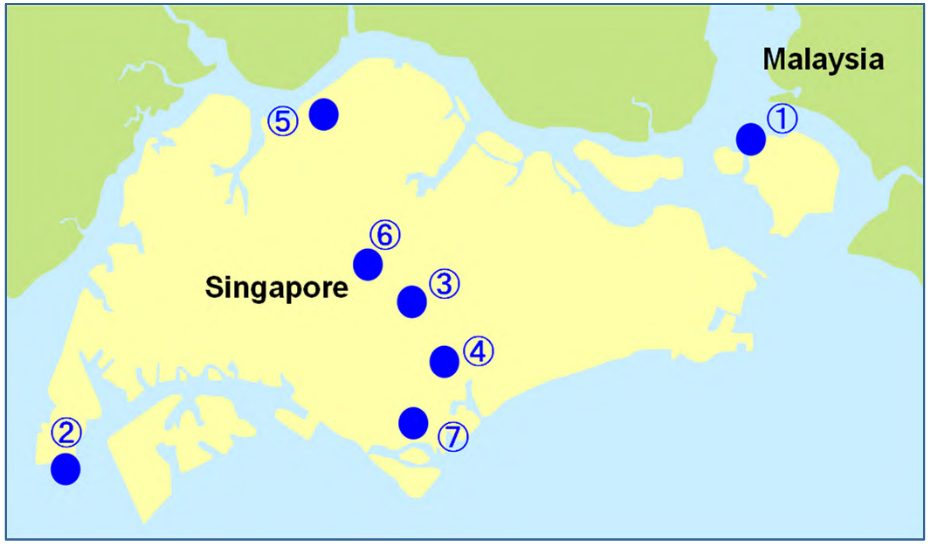




■ Overseas – Projects at hand（Singapore & Hong Kong）

●Singapore（Projects at hand）

No	Project Title	Outline	Period	Value (JPY bn)	Progress rate
①	Construction of Polder at Area A & C of Pulau Tekong	-Area of Reclamation Works by Polder Method: 810ha -Length of Sea Dike: 10km	not disclosed	55.5	86.1%
②	Tuas Terminal Reclamation, Wharf Construction and Dredging Phase 2	-Land reclamation area: 387ha -Total water depth: 8.6 km	Mar 2018 to Mar 2027	55.6	69.7%
③	North-South Corridor (NSC) N105 Section	-ERSS and Earth Works：693,000m3 -Box Culvert：180,000m3	Aug 2018 to Jul 2027	46.0	49.8%
④	A new annex to ICA Building and Retrofitting of ICA Building	addition to a building - Total Floor : 46,200m2 - 10 Storey RC building Existing building renovation - Total Floor : 36,300m2 - 10 Storey RC building	not disclosed	28.7	65.8%
⑤	Contract T232 - Construction of Station,Tunnels and CIQ Building for Rapid Transit System (RTS) Link	Immigration facilities and railroad station buildings -Total Floor : 180,000m2 -3 Storey with 3 basement Storey building	not disclosed	98.5	57.8%
⑥	Contract CR117 - Design and Construction of Bright Hill Interchange Station and Tunnels	- Station by Open Cut Method - Shield Tunnel with 2 Shield Tunnelling Machines - Open Cut Tunnel	not disclosed	54.2	26.2%
⑦	MOH Elective Care Centre and National Dental Centre	Medical facilities, liaison bridges, etc. -Total Floor : 150,000m2 -20 Storey with 4 basement Storey building	not disclosed	107.8	14.9%



●Hong Kong（Projects at hand）

No	Project Title	Outline	Period	Value (JPY bn)	Progress rate
①	Kai Tak development - Stage 4 infrastructure at the former runway and south apron	- Carriageway(Bridge & Underpass) - Salt Water Pumping station & Sewage Pumping station	not disclosed	22.5	90.2%
②	Redevelopment of No.2 University Drive and IT Building for The University of Hong Kong	Research Laboratory Building A - 9 Storey with 4 basement Storey RC building Research Laboratory Building B - 9 Storey RC building IT Building - 8 Storey RC building - Total Floor : 45,000m2	not disclosed	40.5	41.2%
③	Main Contract for Proposed Research Building 2: Life and Chemical Science and Technologies for The Hong Kong University of Science & Technology	University Faciities - 8 Storey RC building - Total Floor : 11,245m2	Oct 2023 to Mar 2026	9.1	11.7%
④	Main Contract Works for Main Stable Precinct Refurbishmentat Shatin Racecourse (“STRC”) for The Hong Kong Jockey Club	- Total Floor : 41,710m2 Demolition work, retrofitting work, interior/facade finishing work, exterior work, M&E work	Feb 2024 to Sep 2029	not disclosed	6.2%